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TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE February 18, 1960

REF : Embtel 566, January 28 / 845J.2614/1-2860 AF-S/S-C-S/P-C-L-H-INR-E w/CEA w/msg 1 CA-Dclass to CEA

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	AF-S	INFO RLP-1, RM/R-2, IRC-8, E-7, IO-4, TCA, AID, W/CEA-X
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SUBJECT: Volta River Project: Attitude of IBRD Mission Toward Possible Loans to Ghana Government

The following is a memorandum of conversation which took place at the American Embassy, Accra, on February 11, 1960.

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Ambassador Wilson C. FLAKE
Dr. Andrew M. KAMARCK, IBRD Mission to Ghana
John Q. BLODGETT, Second Secretary of Embassy

Mr. Kamarck called on the Ambassador the day before his departure from Ghana to give the Embassy a brief run-down on the activities of the IBRD survey team which was invited to Ghana by the Ghana Government to study possible IBRD bank financial participation in the Volta River Project and other projets in Ghana.

Kamarck started off by saying that all members of the mission found Ghana's present economic position to be considerably better than they had anticipated. Their principal concern was the recent tendency on the part of the Government to embark on a large number of schemes, many of them non-developmental (e.g., between £15 and £30 million for capital expenditure on defense) which may be beyond their ability to finance if they are to carry out all developmental projects that have been planned. Mr. Kamarck added that the Government of Ghana is fortunately not fully committed on all of these projects and those in the Government who are concerned with matters of finance are attempting to refine the overall program in more realistic terms. The IBRD mission has asked that when the Ghana Government has fully resolved a realistic program, taking into account an estimated £30 million which the Ghana Government plans to contribute to the Volta River Project, the Bank will want to have an opportunity to review it.

The mission also requested that the Ghana Government undertake studies on the following points:

1) What will be the cost of the various projects which are ancillary to the Volta River Project such as resettlement, disease control, irrigation, etc?

JQBlodgett:mg
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2) What additions will be necessary to port facilities at Tema when the Volta River Project is implemented?

3) What is the situation with regard to the attitude of nearby French territories under the use of any water which may flow from those territories into the Volta River?

The IBRD mission welcomed the fact that Cooper Brothers in London is preparing revised costings on the Volta River Project. The Bank has had considerable favorable association with Cooper Brothers in the past.

On the whole Mr. Kamarck gave the impression that the mission does not regard the Volta River Project as one which will solve all of Ghana's economic problems but the Bank is most eager to be of help on the project.

A team of technicians will come to Ghana from the Bank next month to study the project from the engineering standpoint.

For the Ambassador:

Howard W. Potter

Howard W. Potter
Second Secretary of Embassy

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